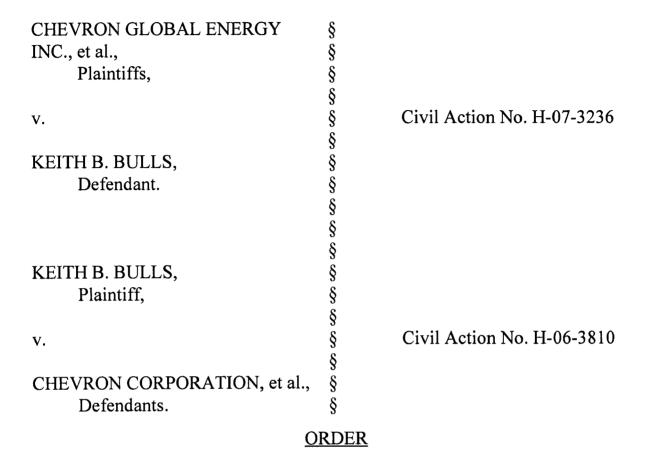
IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF TEXAS HOUSTON DIVISION



Pending before the Court are Plaintiff Chevron Global Energy Inc.'s Motion for Injunction Pursuant to All Writs Act and Relitigation Exception to the Anti-Injunction Act (Civ. A. No. H-07-3236, Document No. 9) and Defendant Chevron's Request for Injunction Pursuant to All Writs Act and Relitigation Exception to the Anti-Injunction Act (Civ. A. No. H-06-3810, Document No. 46). Having considered the motions, submissions, and applicable law, the Court determines the motions should be granted.

BACKGROUND

The Court will not recite the factual history of this case in detail, as it has been set forth at length in a previous summary judgment order issued by the Court.¹ Briefly stated, Plaintiff Keith Bulls ("Bulls"), a Texas resident, worked for Defendant Chevron Pipe Line Company ("Chevron") from October 2002 until he was terminated on August 27, 2004. After he was terminated, Bulls used Chevron's internal dispute resolution process and filed a claim with the Equal Employment Opportunity Commission ("EEOC"), claiming Chevron discriminated against him.² However, the EEOC dismissed his claims as untimely.

Dissatisfied, Bulls filed a whistle blower complaint under 18 U.S.C. § 1514A, the Sarbanes-Oxley Act ("SOA" or "Act") *reprinted in* 69 Fed. Reg. 52104 (Aug. 24, 2004) with the United States Department of Labor ("DOL") and filed suit in Texas state court.³ However, the DOL dismissed Bulls' complaint as untimely.⁴ On

¹In the original suit, *Keith B. Bulls v. Chevron Corp. et al.*, Civ. A. No. H-06-3810, (S.D. Tex. 2006) ("original suit"), the Court granted summary judgment in favor of Chevron. *See* H-06-3810, Document No. 39. Chevron filed a new suit against Bulls on October 2, 2007, *Chevron Global Energy Inc. et al. v. Keith B. Bulls*, Civ. A. No. H-07-3236 (S.D. Tex. 2007) ("instant suit") seeking injunctive relief. Chevron moves in both suits for a permanent injunction against Bulls.

²The parties did not resolve their dispute through Chevron's internal dispute process.

³Bulls' pending state court lawsuit, filed in the 215th Judicial District, Harris County, Texas, is styled *Keith B. Bulls v. Chevron Corp.*, et al.

December 1, 2006, Bulls, *pro se*, filed his original suit in this Court, alleging Chevron violated the SOA.⁵ On May 9, 2007, the Court granted summary judgment in favor of Chevron, dismissed Bulls' claims as untimely, and denied his motion to compel arbitration of his claims. The Court found there was no evidence that Chevron entered into a contract that required Chevron to arbitrate Bulls' claims.

Three weeks thereafter, on May 30, 2007, Bulls, *pro se*, filed a second complaint with the DOL, asserting Chevron violated the SOA.⁶ Additionally, on July

⁴Although the Act mandates that an employee file a complaint with the Secretary of the DOL, the Secretary delegated this responsibility to the Occupational Safety and Health Administration ("OSHA"). See Willis v. Vie Fin. Group, Inc., Civ. A. No. 04-435, 2004 WL 1774575, at *3 n.4 (E.D. Pa. Aug. 6, 2004) (citing 29 C.F.R. § 1980.103(e)). Accordingly, Bulls' SOA complaint was properly filed with OSHA, the administrator of a plaintiff's claims against the DOL. The Court refers to Bulls' underlying administrative complaint as a complaint filed with the DOL or OSHA.

⁵Bulls has proceeded *pro se* throughout his federal court litigation with a few exceptions. Conversely, Bulls was represented by Mr. Woodrow Epperson ("Epperson") in his first case before the DOL and has been represented by Epperson and Stephen Menn ("Menn") in his state court case. In his federal court litigation, Bulls filed his original complaint *pro se*. However, three attorneys have either filed an appearance or filed a brief on Bulls' behalf in the federal litigation. Specifically, after Chevron moved for summary judgment, Steve Kardell appeared as counsel to represent Bulls on April 6, 2007. However, Bulls filed two *pro se* motions after Kardell appeared and apparently dismissed Kardell when the Court granted Chevron's summary judgment motion. Next, after Bulls failed to timely appeal the summary judgment in favor of Chevron, Epperson, who has never notified the Court that he is representing Bulls, nonetheless moved for an extension of time to file an appeal on Bulls' behalf. Finally, after the Court held a hearing on Chevron's motion for injunction at which Bulls did not appear, Menn appeared as counsel of record in the instant case and filed objections to Chevron's motion for an injunction.

⁶Chevron asserts that in his second DOL complaint, Bulls sued high-level Chevron employees, including, *inter alia*, the Chief Executive Officer, Chief Financial Officer,

25, 2007, Bulls, represented by Menn, moved in state court to compel arbitration. Because Bulls continues to litigate the same issues decided by this Court in a pending state court proceeding and in a second DOL proceeding, Chevron moves for a permanent injunction against Bulls under the All Writs Act, 28 U.S.C. § 1651, and the relitigation exception to the Anti-Suit Injunction Act, 22 U.S.C. § 2283. Chevron seeks to enjoin the DOL from further adjudicating Bulls' claims, and to enjoin Bulls from pursuing his second DOL complaint or seeking to compel arbitration in the pending state court proceeding. Chevron also seeks to enjoin Bulls from filing any lawsuits against Chevron, its entities, and agents without the Court's permission, and asks the Court to order the clerk of the Court to assign future cases filed by Bulls to this Court.

The Court scheduled a hearing on Chevron's motion for permanent injunction and notified the parties. Although Bulls, who was *pro se* at that time, had notice, he did not appear at the hearing held on November 13, 2007. After Menn appeared as counsel of record to represent him three days later, Bulls objected to Chevron's request for a permanent injunction regarding his motion to compel arbitration.

President of Chevron Global Gas, and in-house counsel for Chevron. Additionally, Bulls' sued Chevron's lawfirm, *Bracewell & Giuliani LLP*, and its counsel, including individual attorneys working on the case on Chevron's behalf.

LAW AND ANALYSIS

Although the parties do not dispute the Court's jurisdiction, the Court must determine whether it has jurisdiction to grant Chevron's request for an injunction because the All Writs Act does not afford independent grounds for a district court's jurisdiction. See Newby v. Enron Corp., 302 F.3d 295, 300-01 (5th Cir. 2002). However, a district court that has jurisdiction over an original federal action has subject matter jurisdiction to issue an injunction to preserve and protect its jurisdiction. See id. Moreover, a federal district court may exercise ancillary jurisdiction over a second action in order to secure or preserve the fruits and advantages of a judgment or decree rendered by that court in a prior action. Id. (quoting Regions Bank of La. v. Rivet, 224 F.3d 483, 493 (5th Cir. 2000); see also Dow Agrosciences, LLC v. Bates, No. Civ. A. 5:01-CV-331-C, 2003 WL 22660741, at *19-20 (N.D. Tex. Oct. 14, 2003) (also noting that without this doctrine, judgments of federal courts would have little effect whenever later circumstances would preclude a party from re-establishing independent jurisdiction).

Because Bulls invoked the Court's jurisdiction based upon the SOA statute that provided for this Court's *de novo* review of the DOL administrative decision, the Court finds it has jurisdiction over Chevron's motion for an injunction enforcing the Court's prior summary judgment order. *See Newby*, 302 F.3d at 301 (finding a

district court had jurisdiction to enjoin a defendant from filing a new action without leave of court because the district court had jurisdiction over the action pending before it). Thus, the Court must determine whether an injunction is warranted under the All Writs Act and the Anti-Injunction Act.

The All Writs Act authorizes federal courts to "issue all writs necessary or appropriate in aid of their respective jurisdictions and agreeable to the usages and principles of law." *Newby*, 302 F.3d at 301 (quoting 28 U.S.C. § 1651(a)). However, although the All Writs Act authorizes courts to issue an injunction, its power is circumscribed by the Anti-Injunction Act, which prohibits federal courts from enjoining state court proceedings except in three narrowly-tailored situations: 1) where expressly authorized by an act of Congress; 2) where necessary in aid of its jurisdiction; or 3) to protect or effectuate its judgments, commonly known as the "relitigation exception." *Energy Dev. Corp. v. St. Martin*, 112 F. App'x 952, 957 (5th Cir. 2004). Chevron relies on the relitigation exception in support of its motion for permanent injunction against Bulls.

⁷Although a court may have the power to issue an injunction on pending or future state court proceedings, federal courts must be wary of infringing on the legitimate exercise of state judicial power. *See Newby*, 302 F.3d at 301. Thus, the exceptions are narrowly construed and any injunction against state court proceedings must be based on one of the specific statutory exceptions to the Anti-Injunction Act if it is to be upheld. *See Atl. Coast Line R.R. Co. v. Bhd. of Locomotive Eng'rs*, 398 U.S. 281, 287 (1970).

Founded in the well-recognized concepts of res judicata and collateral estoppel, the relitigation exception of the Anti-Injunction Act was designed to permit a federal court to prevent state litigation of an issue that previously was presented to and decided by the federal court. Ballenger v. Mobil Oil Corp., 138 F. App'x 615, 619 (5th Cir. 2005) (citing Chick Kam Choo v. Exxon Corp., 486 U.S. 140, 147 (1988)); Dow Agrosciences, LLC, 2003 WL 22660741, at *21. Under the relitigation exception, federal courts may enjoin the relitigation in state courts of those issues that federal courts have fully and finally adjudicated. Dow Agrosciences, LLC, 2003 WL 22660741, at *22. The relitigation exception applies if a judgment of the federal court precludes the claims (res judicata) or the issues (collateral estoppel) raised in the state litigation. Ballenger, 138 F. App'x at 619. Thus, based upon the doctrine of collateral estoppel or res judicata, the Court must first determine whether to enjoin Bulls from pursuing his motion to compel arbitration in state court, and second, whether to enjoin Bulls from pursuing his second SOA complaint with the DOL and enjoin the DOL from further adjudication of Bulls' second SOA complaint.

I. MOTION TO COMPEL ARBITRATION

The parties dispute whether res judicata or collateral estoppel bars Bulls' state court motion to compel arbitration. Bulls argues the Court may only enjoin him from litigating or relitigating his SOA claims but not from moving to arbitrate his

remaining state claim of intentional infliction of emotional distress. Moreover, Bulls argues that the Court's summary judgment based upon the statute of limitations is not a judgment on the merits. Finally, Bulls argues res judicata does not apply to his state court claim because the federal suit was filed second.

In response, Chevron points out that Bulls' claim of intentional infliction of emotional distress stems from his SOA claim and thus, is based upon the same nucleus of operative facts. Moreover, Chevron avers that a dismissal based upon a statute of limitations is a dismissal on the merits. Furthermore, Chevron contends that even if Bulls filed his state lawsuit prior to his federal lawsuit, res judicata or collateral estoppel bars his state court motion to compel arbitration because the Court rendered final judgment on Bulls' federal motion to compel arbitration.

The Court notes Chevron is not asking the Court to bar Bulls' state lawsuit in its entirety but to bar Bulls' state court motion to compel arbitration. Because Chevron asks the Court to enjoin Bulls' from pursuing a particular issue in state court, the Court must determine whether collateral estoppel, or issue preclusion, applies to the arbitration issue.

Collateral estoppel is limited to matters distinctly put in issue, litigated and determined in the former action. *Ballenger*, 138 F. App'x at 619. Collateral estoppel has three elements: 1) the issue at stake must be identical to the one involved in the

prior action; 2) the issue must have been actually litigated in the prior action; and 3) the determination of the issue in the prior action must have been a necessary part of the judgment in that earlier action. *Id.* Moreover, the legal standard used to assess the issue must be the same in both proceedings.⁸ *Id.*

First, the arbitration issue was raised in Bulls' federal complaint. After Chevron moved for summary judgment, Bulls moved the Court to compel arbitration of his claims. He argued Chevron's internal dispute process ("STEPS") was ambiguous, and that Chevron pretended STEPS was a valid and enforceable contract in order to induce Bulls' to utilize STEPS. Bulls complained that Chevron changed its position in this suit because it claimed STEPS was not a valid and binding contract. The Court agreed with Chevron and found the STEPS process is not a binding contract. Bulls has moved in state court to compel arbitration by arguing STEPS is a mandatory arbitration policy, which contravenes this Court's findings.

⁸The parties do not dispute that the legal standard to determine whether Chevron was bound to arbitrate Bulls' claims is the same in both the state and federal proceedings. In determining whether the parties agreed to arbitrate a certain matter, courts apply the contract law of the particular state that governs the agreement. *Wash. Mut. Fin. Group, LLC v. Bailey*, 364 F.3d 260, 264 (5th Cir. 2004). Courts generally should apply ordinary state-law principles that govern the formation of contracts. *See id.* (citing *Webb v. Investacorp, Inc.*, 89 F.3d 252, 258 (5th Cir. 1996)). Thus, this Court and the state court apply the same law governing contract interpretation to determine whether the parties agreed to arbitrate Bulls' claims. *See id.*

⁹Bulls made similar arguments before the DOL.

Thus, the Court finds the state court arbitration issue is identical to the arbitration issue decided by this Court. *See id*.

The Court must also determine whether the arbitration issue was actually litigated in this Court. Having considered the arguments of the parties regarding arbitration of Bulls' claims, the Court determined that there was no evidence that STEPS was a binding contract on the parties. Accordingly, the Court denied Bulls' motion to compel arbitration. Thus, the Court finds the arbitration issue was actually litigated. *See id*.

Lastly, the Court must determine whether the arbitration issue was a necessary part of the judgment. Denying Bulls' federal motion to compel arbitration, the Court also found it had jurisdiction to conduct a *de novo* review of the underlying DOL proceeding and adjudicated the substantive issues of Bulls' complaint, that is, whether Bulls had exhausted his administrative remedies by timely filing his DOL complaint, and if not, whether equitable tolling applied to excuse his untimely filing. ¹⁰ If the Court had found Chevron was bound to arbitrate Bulls' claims, the Court would necessarily grant Bulls' motion to stay this proceeding and compel

¹⁰Under the SOA, an individual who seeks relief from a SOA violation must first file a complaint with the DOL (OSHA) within 90 days of the alleged violation. See 18 U.S.C.A. § 1514A(b)(2)(D). Because he filed his OSHA complaint more than seventeen months after he was terminated from his position at Chevron, Bulls' first DOL complaint was untimely.

arbitration. In contrast, the Court found Chevron was not bound to arbitrate Bulls' claims, and because the Court had jurisdiction over Bulls' claims, conducted a *de novo* review of the DOL proceeding. Thus, the Court finds its determination that Chevron was not bound to arbitrate Bulls' claims was a necessary part of the judgment. *See id*.

Bulls' argument that collateral estoppel or res judicata does not apply because the federal suit was filed after the state suit is equally without merit. When two actions that involve the same issue are pending, the final judgment rendered first becomes conclusive in the other action. *Ellis v. Amex Life Ins. Co.*, 211 F.3d 935, 937 (5th Cir. 2000) (affirming a district court's dismissal of a second suit under res judicata after the first suit was dismissed with prejudice). Because the Court determined Chevron was not bound to arbitrate Bulls' claims under the STEPS process, the Court's determination is conclusive in the state court action. *See id.*

Finally, although Bulls asserts "a time bar is not a determination of any issues," the Court disagrees. For purposes of res judicata, a dismissal based upon a statute of limitations is a decision on the merits. *Nilsen v. City of Moss Point, Miss.*, 701 F.2d 556, 561 (5th Cir. 1983) (en banc); *see also Kratville v. Runyon*, 90 F.3d 195, 198 (7th Cir. 1996) (explaining that a decision by a federal court that a statute of limitations or an administrative deadline bars an action is a decision on the merits for

purposes of claim preclusion); see also Ellis, 211 F.3d at 936 (affirming a district court's finding that res judicata applied to bar a plaintiff's first suit against a defendant because the plaintiff's same claims filed in a second suit were dismissed as untimely under the applicable statute of limitations).

Because the Court determined that Chevron is not bound to arbitrate Bulls' claims, the Court finds collateral estoppel bars Bulls' attempts to compel arbitration. Thus, the Court grants Chevron's motion to permanently enjoin Bulls from pursuing arbitration of his claims against Chevron in the pending state court suit. *See Ballenger*, 138 F. App'x at 616, 622 (affirming a district court's order enjoining plaintiffs from pursuing a pending state court suit because the issues or claims had already been fully litigated in federal court).

II. DOL PROCEEDING

Chevron requests the Court to enjoin Bulls from pursuing his complaint in a second DOL proceeding and to enjoin the DOL from adjudicating Bulls' second complaint. Bulls does not object to Chevron's request or dispute that res judicata bars his claims before the DOL.

In Bulls' federal suit, the Court conducted a *de novo* review of the first DOL proceeding. Based upon the record, the Court found, as the DOL had found, that Bulls' SOA complaint was not timely filed and thus, time-barred. Accordingly, the

Court granted summary judgment in favor of Chevron on May 9, 2007. Less than a month later, on May 30, 2007, Bulls filed a second DOL complaint against Chevron.

On July 26, 2007, the DOL dismissed Bulls' second complaint, finding that Bulls did not demonstrate that Chevron or its law firm ("Respondents") were subject to the SOA and most of Bulls' other claims were barred by the statute of limitations, just as the DOL had determined they were barred in the first DOL complaint. A DOL letter, dated September 28, 2007, advised Bulls that there was no reasonable cause to believe the Respondents violated the SOA. The letter also pointed out that Bulls' allegations in his second complaint "are based on the same activities as the original OSHA complaint and federal court case," and that "[t]he United States District Court for the Southern District of Texas and the Department of Labor have both issued final judgments on the merits of [Bulls'] claims." The DOL then stated that "the prior rulings have preclusive effect and prevent re-litigation of the issues."

One day before the Court held the hearing on Chevron's motion for injunction, at which Bulls did not appear, Bulls filed objections to the DOL's order. The DOL set Bulls' objections for a hearing on December 3, 2007. Based on these facts, the Court must determine whether the relitigation exception of the Anti-Injunction Act precludes Bulls' from pursuing his second DOL complaint.

The test for the relitigation exception is the same test used to determine claim preclusion or res judicata: 1) the parties in a later action must be identical to (or at least in privity with) the parties in a prior action; 2) the judgment in the prior action must have been rendered by a court of competent jurisdiction; 3) the prior action must have concluded with a final judgment on the merits; and 4) the same claim or cause of action must be involved in both suits. 11 Vasquez v. Bridgestone/Firestone, Inc., 325 F.3d 665, 675-76 (5th Cir. 2003); Ellis, 211 F.3d at 937; Dow Agrosciences, LLC, 2003 WL 22660741, at *22.

First, the parties to both actions are identical or in privity because Bulls filed his second complaint with the DOL against Chevron and added claims against Chevron's law firm and counsel, who are in privity with Chevron. Vasquez, 325 F.3d at 675; Ellis, 211 F.3d at 937. Thus, the first element is met.

The third element is met because, as discussed above, the Court's dismissal of Bulls' claims based upon his failure to timely file his complaint with the DOL is a

¹¹Because Bulls does not dispute the Court is a court of competent jurisdiction, the Court analyzes the first, third, and fourth elements of relitigation test.

¹²Privity is nothing more than a legal conclusion that the relationship between the one who is a party on the record and the non-party is sufficiently close to afford application of the principle of preclusion. *Vasquez*, 325 F.3d at 677. The Court finds the relationship between Chevron, who is a party on the record in this case, and Chevron's counsel, not a party to the instant action, is sufficiently close to find the parties are identical. *See id*.

decision on the merits for purposes of claim preclusion. See Nilsen, 701 F.2d at 561; Ellis, 211 F.3d at 937; Kratville, 90 F.3d at 198.

Finally, the fourth element is met because the same cause of action is involved in both the second DOL proceeding and Bulls' federal suit. *See Vasquez*, 325 F.3d at 675. Bulls' federal suit and second DOL complaint involve the same nucleus of operative facts regarding Bulls' termination and his claim that Chevron violated the SOA. Thus, the Court finds res judicata applies to Bulls' complaint in his second DOL proceeding. *See id.* Because Bulls' claims against Chevron have been previously litigated, the Court grants Chevron's request to enjoin Bulls from pursuing his second DOL complaint.

Moreover, the Court has discretion to enjoin the DOL's proceedings under the All Writs Act when the elements of res judicata are satisfied. *See Leon v. IDX Sys. Corp.*, 464 F.3d 951, 963 (9th Cir. 2006) (finding a district court erred in denying a defendant's motion to enjoin a DOL investigation and adjudication of a plaintiff's SOA claim, and remanding to the district court to determine whether it should exercise its discretion and enjoin the DOL's proceedings under the All Writs Act); *see also FordMotor Co. v. Woods*, Civ. A. No. 04-1733, 2006 WL 1581177, at *1, *3 (W.D. La. June 6, 2006) (explaining that the All Writs Act extended to allow the court to order the Louisiana Motor Vehicle Commission ("LMVC"), a non-party, to

dismiss a plaintiff's complaint in order to protect the court's order that the plaintiff arbitrate his claims and to enjoin the plaintiff from further prosecuting his claim against the defendant before the LMVC).

In dismissing Bulls' second complaint, the DOL explained it had previously issued a final judgment on the merits of Bulls' claims, and that the DOL's and the Court's final judgments have preclusive effect. However, in spite of the DOL's explanations and conclusions, Bulls continues to pursue his claims before the DOL. The Court finds the important public policy of achieving judicial economy will be served by granting Chevron's request for injunctive relief. See Vasquez, 325 F.3d at 677 (finding that a district court did not err by invoking the re-litigation exception, which seeks to prevent wasteful and harassing revisiting of previously decided matters, to permanently enjoin the plaintiffs from relitigating an issue previously decided by the court). Because the DOL contends it has completely adjudicated and issued a final judgment on the merits Bulls' claims and because the Court has discretion to enjoin the DOL from further proceedings in order to protect the Court's order, the Court finds an injunction is warranted. See Leon, 464 F.3d at 963. Given the foregoing, the Court hereby

ORDERS that Plaintiff Chevron Global Energy Inc.'s Motion for Injunction Pursuant to All Writs Act and Relitigation Exception to the Anti-Injunction Act (Civ.

A. No. H-07-3236 Document No. 9) is GRANTED. The Court further

ORDERS that Defendant Chevron's Request for Injunction Pursuant to All Writs Act and Relitigation Exception to the Anti-Injunction Act (Civ. A. No. H-06-3810, Document No. 46) is GRANTED. The Court further

ORDERS that Keith B. Bulls is permanently enjoined from, directly or indirectly, pursuing his claims against Chevron with the United States Department of Labor. Keith B. Bulls shall dismiss, in writing, his DOL Sarbanes-Oxley whistleblower complaint, styled *Keith B. Bulls v. Chevron Corp.*, et al., Case No. 6-3280-07-913, by December 14, 2007. The Court further

ORDERS that Keith B. Bulls is permanently enjoined from, directly or indirectly, filing any pleading, motion, or request to compel arbitration. Keith B. Bulls shall move to withdraw his motion to compel arbitration in the 215th Judicial District, Harris County, Texas, styled *Keith B. Bulls v. Chevron Corp.*, et al., Cause No. 2006-10104, by December 14, 2007. The Court further

ORDERS that Keith B. Bulls is enjoined from, directly or indirectly, filing any action, complaint, claim, or suit in any court or federal administrative agency against Chevron Corporation, Chevron Global Energy Inc., Chevron Global Gas, Chevron Upstream and Gas, Chevron Pipe Line Company, Chevron Pipe Line Holdings Inc., Sabine Pipe Line LLC, Bridgeline Holdings L.P., Bridgeline LLC, Chevron U.S.A.

Inc., Chevron U.S.A. Holdings Inc., or their predecessors, successors, parents, subsidiaries, divisions, affiliates, partners, joint ventures, owners, related entities, or agents, including any current or former employee, shareholder, officer, director, contractor, attorney, or representative, without first obtaining written permission from the undersigned. The Court further

ORDERS that the clerk of the Court is directed to assign all future cases filed by Keith B. Bulls to the undersigned's docket.

If Keith B. Bulls fails to comply with any provision of the foregoing Order, he shall be subject to monetary sanctions and/or contempt by this Court.

SIGNED at Houston, Texas, on this _____ day of December, 2007.

DAVID HITTNER

United States District Judge